

SB 596

An act concerning the Duties of the Connecticut Health Insurance Exchange

Presented by James Stirling, CEO, Stirling Benefits, Inc.

Connecticut legislators should be commended for actively grappling with the cost of health coverage. We are one of few states that have an Exchange, a Co-Op Plan, and have expanded the State Employees Plan to non-state municipal employees via the Partnership Plan.

Common sense tells us that giving the CT Exchange another tool to promote the interest of individuals and small businesses is a good thing. If the exchange has the ability to negotiate for the best plans at the best prices, it does not mean they have to be aggressive or confrontational. We trust the Exchange Board will be judicious with all their authority. If they choose to negotiate lightly, or barely at all, we know market conditions warrant that approach.

But the time may come, and come soon, when we wish the Exchange had negotiation authority. The health insurance market is about to change, and may change dramatically. None of us can predict the unintended and unforeseen consequences of the implementation of the Affordable Care Act in our individual and small group market. We don't know how carriers will respond to those changes.

The Connecticut Exchange needs all the tools available to it to guide the market toward the interest of its citizens and small businesses. Why hobble a thoroughbred? A successful Exchange will be good for business and improve state tax revenue.

All my large clients go out to bid occasionally. They all negotiate with my firm to get the best product at the best price. Competition and active negotiation makes us a better firm and improves our products and services. I don't see any reason why CT insurers should be treated any differently.

There is no harm from passing SB 596. We may not need to negotiate with insurers this year, but pass the bill now so that this tool is available if needed in the future. Just having it on the books will likely make the CT Exchange more successful.

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